

# The Gazette of India

EXTRAORDINARY

PART II—Section 1

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MINISTRY OF LAW

*New Delhi, the 18th September, 1956*

The following Acts, of Parliament received the assent of the President on the 16th September, 1956 and are hereby published for general information:—

## THE SUPREME COURT (NUMBER OF JUDGES) ACT, 1956

No. 55 of 1956

[16th September, 1956]

An Act to provide for an increase in the number of Judges of the Supreme Court, excluding the Chief Justice.

BE it enacted by Parliament in the Seventh Year of the Republic of India as follows:—

1. This Act may be called the Supreme Court (Number of Judges) Act, 1956.

2. The maximum number of Judges of the Supreme Court, excluding the Chief Justice of India, shall be ten.

Maximum  
number of  
Supreme  
Court  
Judges,  
other than  
Chief  
Justice.

( 927 )

## THE STATE FINANCIAL CORPORATIONS (AMENDMENT) ACT, 1956

No. 56 of 1956

[16th September, 1956]

An Act further to amend the State Financial Corporations Act, 1951.

BE it enacted by Parliament in the Seventh Year of the Republic of India as follows:—

Short title  
and com-  
mencement.

1. (1) This Act may be called the State Financial Corporations (Amendment) Act, 1956.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment  
of section 2.

2. In section 2 of the State Financial Corporations Act, 1951 63 of 1951. (hereinafter referred to as the principal Act),—

(i) for clause (b), the following clause shall be substituted, namely:—

“(b) ‘Financial Corporation’ means a Financial Corporation established under section 3 and includes a Joint Financial Corporation established under section 3A;”;

(ii) to clause (c), the following *Explanation* shall be added, namely:—

“*Explanation.*—The expression ‘processing of goods includes any art or process for producing, preparing or making an article by subjecting any material to a manual, mechanical, chemical, electrical or any other like operation;”;

(iii) after clause (f), the following clause shall be inserted, namely:—

“(ff) ‘State Government’ in relation to a Part C State, means the Lieutenant-Governor, or as the case may be, the Chief Commissioner;”.

Amendment  
of section 3.

3. In sub-section (2) of section 3 of the principal Act, for the words “acquire and to hold”, the words “acquire, hold and dispose of” shall be substituted.

Insertion of  
new section  
3A.  
Establish-  
ment of  
Joint Finan-  
cial Corpo-  
rations.

4. After section 3 of the principal Act, the following section shall be inserted, namely:—

“3A. (1) Notwithstanding anything contained in section 3, two or more States may, after consultation with the Reserve Bank, enter into an agreement that there shall be one Financial Corporation for the group of States participating in the agree-

ment and if the agreement is published in the Official Gazette of each of those States, the Central Government may, by notification in the Official Gazette, establish a Joint Financial Corporation to serve the needs of those States under such name as may be specified in the notification.

(2) An inter-State agreement under sub-section (1) among the participating States may—

(a) provide for the fixation of the authorised capital of the Joint Financial Corporation, the number of fully paid-up shares into which it shall be divided, and the allocation among the participating States of the shares to be distributed under clause (a) of sub-section (3) of section 4;

(b) provide for the sharing of the liability for the guarantee under section 6 or section 7;

(c) provide for the number of directors to be nominated to the Board by each participating State Government;

(d) provide for the apportionment among the participating States of expenditure in connection with the Joint Financial Corporation;

(e) provide for the division among the participating States of the surplus profits payable by the Joint Financial Corporation under sub-section (3) of section 35;

(f) determine which of the participating State Governments shall exercise the several functions of the State Government under this Act, and references in this Act to the State Government, in relation to the Joint Financial Corporation, shall, save as otherwise expressly provided, be construed accordingly;

(g) provide for consultation among the participating States either generally or with reference to particular matters arising under this Act;

(h) make such incidental and consequential provisions, not inconsistent with this Act, as may be deemed necessary or expedient for giving effect to the agreement.

(3) The Joint Financial Corporation shall be a body corporate by the name notified under sub-section (1), having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property and shall by the said name sue and be sued.

(4) Any reference in this Act to 'State' in relation to a Joint Financial Corporation established for two or more States, shall be construed as a reference to each such State."

- Amendment of section 5. 5. In sub-section (1) of section 5 of the principal Act, after the words "financial institution", the words "or class of financial institutions" shall be inserted.
- Amendment of section 7. 6. In section 7 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—  
“(3) The Financial Corporation may, for the purpose of carrying out its functions under this Act, borrow money from the Reserve Bank, repayable on demand or on the expiry of fixed periods not exceeding ninety days from the date on which the money is so borrowed, against securities of the Central Government or of any State Government.”.
- Amendment of section 10. 7. In section 10 of the principal Act,—  
(i) to clause (a), the following proviso shall be added, namely:—  
“Provided that in the case of a Joint Financial Corporation, the number of directors shall be such as the State Governments of the participating States may, by agreement among themselves, think fit to nominate, each participating State Government nominating not more than two directors.”;  
(ii) in clause (d), the words “from among themselves” shall be omitted.
- Amendment of section 14. 8. In section 14 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:—  
“(1A) If the managing director is by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his appointment, the State Government may, after consultation with the Board, appoint another person to act in his place during his absence.”.
- Amendment of section 17. 9. Section 17 of the principal Act shall be re-numbered as sub-section (1) thereof and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—  
“(2) The State Government may, after consulting the Board, remove the managing director from office:  
Provided that no managing director shall be so removed unless he has been given an opportunity of showing cause against his removal.”.
- Amendment of section 18. 10. In section 18 of the principal Act, in sub-section (1),—  
(a) for the word “three”, the words “the following” shall be substituted;

(b) to clause (a), the following proviso shall be added, namely:—

“Provided that in the case of a Joint Financial Corporation, in addition to the one director elected from among the directors nominated by the Reserve Bank and the Industrial Finance Corporation of India, as many directors as there are participating States shall be elected by the nominated directors, one each from among the directors nominated by each of the participating State Governments.”.

11. In section 19 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:— Amendment  
of section 19.

“(3A) If, for any reason, a director nominated under clause (a) or clause (b) or clause (c) of section 10 is unable to attend any meeting of the Board, the State Government, the Central Board of the Reserve Bank or the Board of Directors of the Industrial Finance Corporation of India, as the case may be, may depute any other person to attend the said meeting and such person shall, for all purposes of the said meeting, be deemed to be a director nominated under clause (a) or clause (b) or clause (c), as the case may be, of the said section.”.

12. In section 25 of the principal Act,—

Amendment  
of section 25.

(a) in sub-section (1),—

(i) the word “and” at the end of clause (e) shall be omitted;

(ii) after clause (e), the following clause shall be inserted, namely:—

“(ee) acting as an agent for the Central Government or the State Government or the Industrial Finance Corporation of India established under the Industrial Finance Corporation Act, 1948, in the transaction of any business with an industrial concern in respect of loans or advances granted, or debentures subscribed, by any one of them; and”;

(b) in sub-section (2), after the words “prescribed by regulations”, the words “or unless it is guaranteed as to the repayment of principal and the payment of interest by the State Government, a scheduled bank or a State co-operative bank” shall be inserted.

13. In section 27 of the principal Act, in sub-section (2), for the words, figures and brackets “Indian Companies Act, 1913 (VII of 1913)”, the words and figures “Companies Act, 1956” shall be substituted. Amendment  
of section  
27.

15 of 1948.

1 of 1956.

Amendment  
of section  
29.

14. In section 29 of the principal Act,—

(a) in sub-section (1), for the words “right to sell”, the words “right to transfer by way of lease or sale” shall be substituted;

(b) in sub-section (2)—

(i) the words “of sale and realisation” shall be omitted;

(ii) for the words “as if the sale”, the words “as if the transfer” shall be substituted;

(c) for sub-section (4), the following sub-section shall be substituted, namely:—

(4) Where the management of an industrial concern is taken over by the Financial Corporation or any property is transferred and realised by it under the provisions of sub-section (1), all costs, charges and expenses properly incurred by it as incidental to such management, or transfer and realisation shall be recoverable from the industrial concern and the money which is received by it from such management or transfer and realisation shall, in the absence of any contract to the contrary, be held by it in trust to be applied firstly, in payment of such costs, charges and expenses and, secondly, in discharge of the debt due to the Financial Corporation, and the residue of the money so received shall be paid to the person entitled thereto.”

Amendment  
of section  
31.

15. In section 31 of the principal Act, in sub-section (1),—

(i) after the words “fails to make such repayment”, the words and figures “then, without prejudice to the provisions of section 29 of this Act and of section 69 of the Transfer of Property Act, 1882” shall be inserted;

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(ii) in clause (a), for the word “Corporation”, the words “Financial Corporation” shall be substituted.

Amendment  
of section  
32.

16. In section 32 of the principal Act, after sub-section (8), the following sub-section shall be inserted, namely:—

“(8A) An order under this section transferring the management of an industrial concern to the Financial Corporation shall be carried into effect, as far as may be practicable, in the manner provided in the Code of Civil Procedure, 1908, for the possession of immovable property or the delivery of movable

5 of 1908.

property in execution of a decree, as if the Financial Corporation were the decree holder.”.

17. After section 32 of the principal Act, the following new sections shall be inserted, namely:—

Insertion of new sections 32A, 32B, 32C, 32D, 32E and 32F.

“32A. (1) When the management of an industrial concern is taken over by the Financial Corporation, the Financial Corporation may, by order notified in the Official Gazette, appoint as many persons as it thinks fit,—

Power of Financial Corporation to appoint directors or administrators of an industrial concern when management is taken over.

1 of 1956.

(a) in any case in which the industrial concern is a company as defined in the Companies Act, 1956, to be directors of that industrial concern; or

(b) in any other case, to be administrators of that industrial concern.

(2) The power to appoint directors or administrators under this section includes the power to appoint any individual, firm or company to be the managing agent or manager of the industrial concern on such terms and conditions as the Financial Corporation may think fit.

32B. On the issue of a notified order under section 32A,—

Effect of notified order under section 32A.

1 of 1956.

(a) in any case in which the industrial concern is a company as defined in the Companies Act, 1956, all persons holding office as directors of the industrial concern and in any other case, all persons holding any office having the powers of superintendence, direction and control of the industrial concern, immediately before the issue of the notified order, shall be deemed to have vacated their offices as such;

(b) any contract of management between the industrial concern and any managing agent or any director or manager thereof holding office as such immediately before the issue of the notified order shall be deemed to have terminated;

1 of 1956.

(c) in the case of an industrial concern which is a company as defined in the Companies Act, 1956, the managing agent, if any, appointed under section 32A shall be deemed to have been duly appointed in pursuance of the said Act and the memorandum and articles of association of the industrial concern and the provisions of the said Act and the memorandum and articles shall, subject to the other

provisions contained in this Act, apply accordingly, but no such managing agent shall be removed from office except with the previous consent of the Financial Corporation;

(d) the directors or the administrators appointed under section 32A shall take such steps as may be necessary to take into their custody or under their control all the property, effects and actionable claims to which the industrial concern is, or appears to be, entitled, and all the property and effects of the industrial concern shall be deemed to be in the custody of the directors or administrators, as the case may be, as from the date of the notified order;

(e) the directors appointed under section 32A shall, for all purposes, be the directors of the industrial concern duly constituted under the Companies Act, 1956, and such directors, or as the case may be, the administrators appointed under section 32A, shall alone be entitled to exercise all the powers of the directors or as the case may be, of the persons exercising powers of superintendence, direction and control, of the industrial concern, whether such powers are derived from the said Act or from the memorandum or articles of association of the industrial concern or from any other source whatsoever. 1 of 1956.

Powers and  
duties of  
directors  
and ad-  
ministrators.

32C. (1) Subject to the control of the Financial Corporation, the directors, or as the case may be, the administrators appointed under section 32A, shall take such steps as may be necessary for the purpose of efficiently managing the business of the industrial concern and shall exercise such powers and have such duties as may be prescribed.

(2) Without prejudice to the generality of the powers vested in them under sub-section (1), the directors or as the case may be, the administrators appointed under section 32A, may, with the previous approval of the Financial Corporation, make an application to a Court for the purpose of cancelling or varying any contract or agreement entered into at any time before the issue of the notified order under section 32A, between the industrial concern and any other person and the Court may, if satisfied after due inquiry that such contract or agreement had been entered into in bad faith and is detrimental to the interests of the industrial concern, make an order cancelling or varying (either unconditionally or subject to such conditions as it may think fit to impose) that contract or agreement and the contract or agreement shall have effect accordingly.



32D. (1) Notwithstanding anything to the contrary contained in any contract or in any law for the time being in force, no managing agent, managing director or any other director or a manager or any person incharge of management of an industrial concern shall be entitled to any compensation for the loss of office or for the premature termination under this Act of any contract of management entered into by him with such concern.

No right to compensation for termination of contract of managing agent, managing director, etc.

(2) Nothing contained in sub-section (1) shall affect the right of any such managing agent or managing director, or any other director or manager or any such person incharge of management to recover from the industrial concern, moneys recoverable otherwise than by way of such compensation.

32E. (1) Where the management of an industrial concern, being a company as defined in the Companies Act, 1956, is taken over by the Financial Corporation, then, notwithstanding anything contained in the said Act or in the memorandum or articles of association of such concern,—

Application of Act I of 1956.

I of 1956.

(a) it shall not be lawful for the shareholders of such concern or any other person to nominate or appoint any person to be a director of the concern;

(b) no resolution passed at any meeting of the shareholders of such concern shall be given effect to unless approved by the Financial Corporation;

(c) no proceeding for the winding up of such concern or for the appointment of receiver in respect thereof shall lie in any court, except with the consent of the Financial Corporation.

(2) Subject to the provisions contained in sub-section (1) and to the other provisions contained in this Act and subject to such other exceptions, restrictions and limitations, if any, as the Central Government in consultation with the State Government may, by notification in the Official Gazette, specify in this behalf, the Companies Act, 1956, shall continue to apply to such concern in the same manner as it applied thereto before the issue of the notified order under section 32A.

I of 1956.

Restriction on filing of suits for dissolution, etc., of an industrial concern not being a company when its management is taken over.

32F. (1) Where the management of an industrial concern not being a company as defined in the Companies Act, 1956, is taken over by the Financial Corporation, no suit or proceedings for dissolution or for partition shall, in so far as it relates to that industrial concern, lie in any court or before any tribunal or other authority except with the consent of the Financial Corporation.

(2) No proceeding for the appointment of any official assignee or receiver in relation to any industrial concern the management of which has been taken over by the Financial Corporation shall lie in any court except with consent of the Financial Corporation."

Amendment of section 33.

18. In section 33 of the principal Act, in sub-section (2), for the words "or in a scheduled bank in consultation with the Reserve Bank", the words "or, in consultation with the Reserve Bank, in a scheduled bank or a State co-operative bank", shall be substituted.

Amendment of section 36.

19. In sub-section (1) of section 36 of the principal Act, for the words "two months", the words "three months" shall be substituted.

Amendment of section 37.

20. In section 37 of the principal Act,—

(a) in sub-section (1),—

(i) for the words, figures and brackets "section 144 of the Indian Companies Act, 1913 (VII of 1913)", the words and figures "section 226 of the Companies Act, 1956" shall be substituted;

(ii) for the words "the other", the words "the other auditor or auditors" shall be substituted;

(b) after sub-section (1), the following proviso shall be inserted, namely:—

"Provided that where such other auditor or auditors are to be elected for the first time after the establishment of the Financial Corporation, the Board may appoint such auditor or auditors who shall hold office until the election is held".

Insertion of new section 37A.

21. After section 37 of the principal Act, the following section shall be inserted, namely:—

Inspection.

"37A. (1) The Reserve Bank at any time may, with the approval of the Central Government, and on being directed so to do by that Government shall, cause an inspection to be made by one or more of its officers of the working of any Financial Corporation and its books and accounts; and the Reserve Bank

shall send the report of such inspection to the Central Government and to the State Government and shall supply a copy thereof to the Financial Corporation.

(2) It shall be the duty of every director or every officer of the Financial Corporation to produce to any officer making an inspection under sub-section (1) all such books, accounts and other documents in his custody or power and to furnish him with any statement and information relating to the affairs of the Financial Corporation as the said officer may require of him within such time as the said officer may specify.

1 of 1872.

(3) Notwithstanding anything contained in the Indian Evidence Act, 1872, or in any other law for the time being in force, no court, tribunal or other authority shall have power to require the Reserve Bank or any of its officers to produce before such court, tribunal or other authority the report of the inspection made by it under sub-section (1) or any copy thereof.

(4) The State Government may, after considering any report sent to it under sub-section (1), give such instructions to the Board as it considers necessary and it shall be the duty of the Board to comply with such instructions."

22. In sub-section (3) of section 38 of the principal Act, for the words "three months", the words "four months" shall be substituted. Amendment of section 38.

23. In section 39 of the principal Act,—

Amendment of section 39.

(a) in sub-section (1), after the words "the State Government", the words "in consultation with the Reserve Bank" shall be inserted;

(b) in sub-section (3), after the words "laid down by the State Government", the words, brackets, figures and letter "under sub-section (1) of this section or the instructions given to the Board under sub-section (4) of section 37A" shall be inserted.

24. After section 46 of the principal Act, the following sections shall be inserted, namely:—

Insertion of new sections 46A and 46B.

"46A. (1) Where a Financial Corporation has been established for any State and any other State desires that the Financial Corporation should serve its needs, and the States, after consultation with the Reserve Bank, enter into an agreement which is published in the Official Gazettes of each of those States, then the Financial Corporation shall, on the issue of a notification in the Official Gazette by the Central Government, serve the needs of those States in terms of the agreement.

Extension of jurisdiction of the Financial Corporation to other States by agreement.

(2) An inter-State agreement among the participating States may, as far as may be, make all such provisions as are referred to in sub-section (2) of section 3A.

Effect  
of Act on  
other laws.

46B. The provisions of this Act and of any rules or orders made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in the memorandum or articles of association of an industrial concern or in any other instrument having effect by virtue of any law other than this Act, but save as aforesaid, the provisions of this Act shall be in addition to, and not in derogation of, any other law for the time being applicable to an industrial concern."

Amendment  
of section 48.

25. In sub-section (2) of section 48 in clause (m), after the words "this Act", the words "fees for attending meetings thereof and the conduct of business thereat" shall be inserted.

## THE PUBLIC DEBT (AMENDMENT) ACT, 1956

No. 57 OF 1956

[16th September, 1956]

### An Act further to amend the Public Debt Act, 1944.

WHEREAS in pursuance of clause (1) of article 252 of the Constitution, resolutions have been passed by the Legislatures of all Part B States other than the State of Jammu and Kashmir to the effect that certain matters relating to the public debt of those States, that is to say, the matters for which provision is made in the Public Debt Act, 1944, should be regulated in those States by Parliament by law; 18 of 1944.

AND WHEREAS in consequence thereof it is necessary further to amend the Public Debt Act, 1944, for the purposes hereinafter appearing.

BE it enacted by Parliament in the Seventh Year of the Republic of India as follows:—

Short title  
and com-  
mencement.

1. (1) This Act may be called the Public Debt (Amendment) Act, 1956.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment  
of long title  
and preamble.

2. In the Public Debt Act, 1944 (hereinafter referred to as the principal Act), in the long title and the preamble, for the words and letter "the Union and the Part A States", the words, "the Government" shall be substituted.

Amendment  
of section 1.

3. In section 1 of the principal Act, sub-section (2) shall be omitted.

4. After section 1 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 1A.

“1A. This Act applies to Government securities created and issued whether before or after the commencement of this Act by the Central Government or a State Government other than the Government of Jammu and Kashmir.”

Securities to which this Act applies.

5. In section 2 of the principal Act, in clause (2),—

Amendment of section 2.

(a) in sub-clause (a), for the words “whether before or after the commencement of this Act, by the Central Government or a State Government”, the words “by the Government” shall be substituted;

(b) in sub-clause (b), for the words “the Central Government or a State Government”, the words “the Government” shall be substituted.

6. In section 3 of the principal Act, in sub-section (1), for the words and figures “and in the case of a security issued by a State Government, is made after the 31st day of March, 1949”, the words, figures and letters “and in the case of a security issued by the Government of a Part A State, is made after the 31st day of March, 1949, and in the case of a security issued by the Government of a Part B State to which this Act applies, is made after the commencement of the Public Debt (Amendment) Act, 1956” shall be substituted.

Amendment of section 3.

7. In section 8 of the principal Act, in the *Explanation*, for the words and figures “a body incorporated under the Indian Companies Act, 1913”, the words and figures “a body incorporated or deemed to be incorporated under the Companies Act, 1956” shall be substituted.

Amendment of section 8.

7 of 1913.  
1 of 1956.

8. In section 13 of the principal Act,—

Amendment of section 13.

(a) for the words and letters “Part A States and Part C States”, the word “India” shall be substituted;

(b) for the words “those States”, the word “India” shall be substituted.

9. In section 14 of the principal Act, in sub-section (1), the words and letter “or in a Part B State the Political Agent” shall be omitted.

Amendment of section 14.

10. In section 20 of the principal Act, for the words and letters “a Part A State or a Part C State”, the word “India” shall be substituted.

Amendment of section 20.

**Amendment of section 23.** 11. In section 23 of the principal Act, for the words "the States", the word "India" shall be substituted.

**Amendment of section 28.** 12. In section 28 of the principal Act,—

(a) in clause (c) of sub-section (2), for the words and letter "rulers of Part B States", the words "Rulers of former Indian States" shall be substituted;

(b) in sub-section (3), for the word "Parliament", the words "both Houses of Parliament" shall be substituted.

**Substitution of new section for section 29.** 13. For section 29 of the principal Act, the following section shall be substituted, namely:—

Certain laws not to apply to Government securities.

"29. The Indian Securities Act, 1920 and any law corresponding to that law in force in any Part B State immediately before the commencement of the Public Debt (Amendment) Act, 1956, shall cease to apply to Government securities to which this Act applies and to all matters for which provision is made by this Act: 10 of 1920.

Provided that any such corresponding law shall continue to apply to or in relation to any securities created and issued by the Government of Hyderabad, Saurashtra or Travancore-Cochin on or before the 31st day of March, 1953, for such period not exceeding one year from the commencement of the Public Debt (Amendment) Act, 1956, as the Central Government may, by notification in the Official Gazette, specify."

**Insertion of new section 30.** 14. After section 29 of the principal Act, the following section shall be inserted, namely:—

Construction of reference to laws not in force before 1st April, 1951 in Part B States.

"30. Any reference in this Act to any law which did not extend to any Part B State or any part of such State before the commencement of the Part B States (Laws) Act, 1951, shall 3 of 1951. wherever necessary, be construed as including a reference to the corresponding law, if any, in force in that State, or, as the case may be, any part thereof, before the said date."

**Repeal and saving.**

15. (1) The following enactments are hereby repealed, namely:—

1. The Madhya Bharat Public Debt Act, 1953.
2. The Mysore Public Debt Act, 1953.
3. The Saurashtra Public Debt Act, 1953.
4. The Travancore-Cochin Public Debt Act, 1954.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any power conferred by or under any such enactment shall be deemed to have been done or taken in the exercise of the powers conferred by or under the principal Act as amended by this Act as if the principal Act as amended by this Act were in force on the day on which such thing was done or action was taken.

## THE CENTRAL EXCISES AND SALT (AMENDMENT) ACT, 1956

No. 58 of 1956

[16th September, 1956]

An Act further to amend the Central Excises and Salt Act, 1944

BE it enacted by Parliament in the Seventh Year of the Republic of India as follows:—

1. This Act may be called the Central Excises and Salt Short title.  
(Amendment) Act, 1956.

2. In the First Schedule to the Central Excises and Salt Act, 1944, Amendment  
in Item No. 12,— of the First  
Schedule,  
Act I of  
1944.

(a) in sub-item (1), for the words 'Two annas and six pies per square yard', the words 'Six annas per square yard' shall be substituted;

(b) in sub-item (2), for the words 'One anna and nine pies per square yard', the words 'Six annas per square yard' shall be substituted;

(c) in sub-item (3), for the words 'One anna per square yard', the words 'Four annas per square yard' shall be substituted;

(d) for sub-item (4), the following sub-item shall be substituted, namely:—

"(4) Cotton fabrics, coarse—that is to say, Four annas  
fabrics in which the average count of per square  
yarn is less than 17s. yard."

## THE INDIAN RAILWAYS (AMENDMENT) ACT, 1956

No. 59 OF 1956

[16th September, 1956]

An Act further to amend the Indian Railways Act, 1890.

BE it enacted by Parliament in the Seventh Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Indian Railways (Amendment) Act, 1956.

Substitution of new Chapter for Chapter VIA in Act IX of 1890. 2. For Chapter VIA of the Indian Railways Act, 1890, the following Chapter shall be substituted, namely:—

## ‘CHAPTER VIA

## LIMITATION OF EMPLOYMENT OF RAILWAY SERVANTS

Definitions.

71A. In this Chapter, unless the context otherwise requires,—

(a) the employment of a railway servant is said to be “continuous” except when it is excluded or has been declared to be essentially intermittent or intensive;

(b) the employment of a railway servant is said to be “essentially intermittent” when it has been declared to be so by the prescribed authority on the ground that the daily hours of duty of the railway servant normally include periods of inaction aggregating six hours or more (including at least one such period of not less than one hour or two such periods of not less than half an hour each), during which the railway servant may be on duty, but is not called upon to display either physical activity or sustained attention;

(c) the employment of a railway servant is said to be “excluded”, if he belongs to any one of the following categories, namely:—

(i) railway servants employed in a confidential capacity;

(ii) armed guards, or other personnel subject to discipline similar to that of the armed police forces;



(iii) staff of the railway schools imparting technical training or academic education;

(iv) such categories of class IV staff as may be specified by the Central Government by rules made under section 71E;

(v) such staff as may be specified as supervisory staff by the Central Government by rules made under section 71E;

(vi) such categories of staff of the Health and Medical department as may be specified by the Central Government by rules made under section 71E;

(d) the employment of a railway servant is said to be "intensive" when it has been declared to be so by the prescribed authority on the ground that it is of a strenuous nature involving continued concentration or hard manual labour with little or no period of relaxation.

71B. This Chapter shall not apply to any railway servant to whom the Indian Merchant Shipping Act, 1923 or the Factories Act, 1948 or the Mines Act, 1952 applies.

Chapter VIA  
not to apply  
to certain  
railway  
servants.

71C. (1) A railway servant whose employment is essentially intermittent shall not be employed for more than seventy-five hours in any week;

Limitation  
of hours of  
work.

(2) A railway servant whose employment is continuous shall not be employed for more than fifty-four hours a week on the average in any month;

(3) A railway servant whose employment is intensive shall not be employed for more than forty-five hours a week on the average in any month;

(4) Subject to any rules that may be made under section 71E, temporary exemptions of railway servants from the provisions of sub-section (1) or sub-section (2) or sub-section (3) may be made by the prescribed authority if it is of opinion that such temporary exemptions are necessary to avoid serious interference with the ordinary working of the railway or in cases of accident, actual or threatened, or when urgent work is required to be done to the railway or to rolling stock, or in any emergency which could not have been foreseen or prevented, or in other cases of exceptional pressure of work:

Provided that a railway servant so exempted shall be paid for over-time at not less than one and one-half times his ordinary rate of pay.

Grant of  
periodical  
rest.

71D. (1) Subject to the provisions of this section, a railway servant—

(a) whose employment is intensive or continuous shall be granted, each week commencing on Sunday, a rest of not less than thirty consecutive hours;

(b) whose employment is essentially intermittent shall be granted, each week commencing on Sunday, a rest of not less than twenty-four consecutive hours including a full night;

(c) whose employment is excluded under sub-clause (iv) of clause (c) of section 71A shall be granted a rest of not less than forty-eight consecutive hours each month, or a rest of not less than twenty-four consecutive hours each fortnight.

(2) Notwithstanding anything contained in sub-section (1), locomotive or traffic running staff shall be granted, each month, a rest of at least four periods of not less than thirty consecutive hours each, or at least five periods of not less than twenty-two consecutive hours each including a full night.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, by rules made under section 71E, specify the railway servants to whom periods of rest may be granted on a scale less than that laid down under sub-section (1) and may prescribe the periods of rest to be granted to such railway servants.

(4) Subject to any rules that may be made under section 71E, temporary exemptions of railway servants from the provisions of sub-section (1) or sub-section (2) may be made by the prescribed authority if it is of opinion that such temporary exemptions are necessary in the cases or circumstances specified under sub-section (4) of section 71C:

Provided that a railway servant so exempted shall, as far as may be possible, be granted compensatory periods of rest for the periods he has foregone.

71E. (1) The Central Government may make rules—

(a) prescribing the authorities who may declare that the employment of any railway servant is essentially intermittent or intensive; and providing for appeals against any

Power to  
make rules.

such declaration and the manner in which, and the conditions subject to which, any such appeal may be filed and heard;

(b) specifying the railway servants or classes of railway servants to whom sub-clauses (iv), (v) and (vi) of clause (c) of section 71A may apply;

(c) prescribing the authorities by whom exemptions under sub-section (4) of section 71C or sub-section (4) of section 71D may be made;

(d) providing for the delegation of powers by the prescribed authorities referred to in clause (c);

(e) specifying the railway servants or classes of railway servants to whom sub-section (3) of section 71D may apply and prescribing the periods of rest to be granted to them;

(f) providing for appointment of supervisors of railway labour and their functions;

(g) providing for any other matter which has to be, or may be, prescribed under this Chapter.

(2) The rules made under sub-section (1) shall be subject to the provisions of section 143.

71F. Nothing in this Chapter or the rules made thereunder shall authorise a railway servant to leave his duty where due provision has been made for his relief, until he has been relieved. Railway servant to remain on duty.

71G. (1) Subject to any rules that may be made under section 71E, the Central Government may appoint persons to be supervisors of railway labour. Supervision of railway labour.

(2) The duties of supervisors of railway labour shall be—

(a) to inspect railways in order to determine if the provisions of this Chapter and of the rules made thereunder are duly observed; and

(b) to perform such other functions as may be prescribed.

(3) A supervisor of railway labour shall be deemed to be an Inspector for the purposes of sections 5 and 6.

Penalty.

71H. Any person under whose authority any railway servant is employed in contravention of any of the provisions of this Chapter or of the rules made thereunder shall be punishable with fine which may extend to five hundred rupees.'